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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/325,536	06/04/1999	KEVIN BOYLE	47004.000040	2934

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EXAMINER

THOMPSON JR, FOREST

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 10/16/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/325,536

Applicant(s)

BOYLE ET AL.

Examiner

Forest O. Thompson Jr.

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 July 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-25 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ 6) ☐ Other: _____

DETAILED ACTION

1. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action (See Paper No. 5). The text of those sections of Title 35, U.S. Code not otherwise provided in a prior Office action will be included in this action where appropriate.
2. This action is responsive to the amendment (amendment A) filed 29 July 2002 (see Paper #21). Amendment B amended claims 1, 5, 11, 17, and 21. Claims 1-25 are pending.
3. Claims 1-25 have been examined.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1-4 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claim 1 states "A credit instrument for allowing a cardholder to automatically charge fees to a club, merchant or service-provider, comprising: a credit card capable of charging point-of-service transactions to be posted on a cardholder's account..." The invention is not in the technological art. Claims 2-4 are dependent from independent claim 1, and are not in the technological art.
Therefore, claims 1-4 are rejected.

Claim Rejections - 35 USC § 112

6. Claims 1-4 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 states "A credit instrument for allowing a cardholder to automatically charge fees to a club, merchant or service-provider, comprising: a credit card capable of charging point-of-service transactions to be posted on a cardholder's account..." The invention is not in the technological art. Claims 2-4 are dependent from independent claim 1, and are not in the technological art. Correction is required.

Claim Rejections - 35 USC § 102

7. Claim 13 is rejected under 35 U.S.C. 102(e) as being anticipated by Kolling et al. (U.S. Patent No. 5,920,847).

Claim 13: Kolling et al. discloses:

- a server for receiving applications, processing point of sale transactions and processing auto-charges to the plurality of clubs, merchants or service-providers (col. 3 line 67 – col. 4 line 6; col. 11 lines 5-33; fig. 18A [1802-1807]);
- a plurality of user systems for submitting applications (fig. 14 [502a-c]); and
- a network interfacing said server and said plurality of user systems (col. 11 lines 5-33).
- wherein said auto-charges do not require the plurality of clubs, merchants or service-providers to submit a payment request for each auto-charge (col. 7 lines 48-51),

through the functionality of the disclosure of *service bureau S receives one or more bill pay orders from consumer C. These orders could be instructions to pay some amount for a bill or a set amount of money at periodic intervals.*

Claim Rejections - 35 USC § 103

8. Claims 1-3 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404), and further in view of Kolling et al. (U.S. Patent No. 5,649,118), Pollin (U.S. Patent No. 6,041,315), and Perazza (U.S. Patent No. 5,326,959).

9. Note: In this invention, applicant claims said credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers for which automated charges can be effectuated. Examiner maintains that the plurality of clubs, merchants or service providers for which automated charges can be effectuated are consistent with any service providers or entities (including the funding of an investment account at a service provider) that may be associated with a cardholder through encoded information on the credit card, including merely an account number on the credit card that is correlated by the credit card issuer with the credit card number and associated data in the credit card issuer's database, and add no patentable weight to applicant's claim. The functionality for this association exists in most databases through their inferred capabilities as databases. Databases provide the functionality to store, sort and correlate data based on user guidelines. Databases also

allow multiple cross-references or cross-correlations for similar or related data. Also, specific claim limitations to "the plurality of clubs, merchants or service providers for which automated charges can be effectuated" do not change or prevent this inference.

Claim 1: Fernandez-Holmann discloses:

- a credit card capable of charging point of service transactions (col. 2 lines 24-44);
and
- said credit card having encoded information thereon (col. 2 lines 24-44);
- a method and system for providing an investment fund, such as a long term investment fund which may be suitable for retirement purposes, comprising the steps of establishing a credit based account with a credit card issuer for the benefit of a credit card holder, providing an investment account with a financial institution for the benefit of the credit card holder, funding the investment account by the credit card issuer with a predetermined amount of money on a periodic basis, and charging an amount of money so funded against the credit based account of the credit card holder (Abstract), which encompasses automated charges.

Fernandez-Holmann does not specifically disclose said credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers for which automated charges can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or payment requests for each automated charge. However, one inherent feature of credit cards is an identifier encoded on the card that

allows the card issuer to identify the user account in a database of user accounts to be charged or credited for transactions, and store and correlate other information in the database as determined by the card issuer that the card issuer may require to administer the user account. Additionally, Perazza discloses:

funds can automatically and promptly be transferred, together with appropriate customer identifying information, to each biller's designated bank and its application, using conventional clearinghouse systems (Abstract);

- The bank has stored, in computer memory, the names and other identifying information regarding the billers for each customer (Abstract).
- preauthorized payment instructions for bill payments which are regular and fixed (col. 3 lines 9-17).

Kolling et al. discloses service bureau S receives one or more bill pay orders from consumer C. These orders could be instructions to pay some amount for a bill or a set amount of money at periodic intervals (col. 7 lines 49-52).

Additionally, Pollin discloses the system verifies the bank and account information by comparing the input information to records in a database associated with the system (Abstract).

Therefore, it would have been obvious to one skilled in the art at the time the invention was made to modify the disclosure of Fernandez-Holmann to disclose said credit card having encoded information thereon that associates the cardholder with a

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plurality of clubs, merchants or service providers for which automated charges can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or payment requests for each automated charge, as disclosed through the functionality of Kolling et al., Pollin and Perazza, because this provides capabilities that facilitate the user's payment process and ease the burden on the user of making repetitive payments at periodic intervals.

Claim 2: Fernandez-Holmann discloses said encoded information is of an account number that is correlated by a credit card processing system to said plurality (col. 2 lines 24-44), .

Claim 3: Fernandez-Holmann disclose said cardholder's account is automatically updated to reflect said automated charges by said credit card processing system (col. 2 lines 24-44; col. 4 lines 9-34).

10. Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404), and further in view of Kolling et al. (U.S. Patent No. 5,649,118), Pollin (U.S. Patent No. 6,041,315), Perazza (U.S. Patent No. 5,326,959), and OFFICIAL NOTICE.

Claim 4: Fernandez-Holmann does not disclose encoded information thereon identifies one or more said plurality for use as an admission pass. However, Official Notice is taken that use of a credit card or other card as an admission pass was old and

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well known at the time the invention was made. One example is the use of an ATM card at a bank to open the door to access the area where an ATM is located. It would have been obvious to one skilled in the art to combine Fernandez-Holmann and old and well-known art to disclose encoded information thereon identifies one or more said plurality for use as an admission pass, because this is a desirable security/access control feature for businesses and merchants.

11. Claims 5-12 and 17-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404), and further in view of Reeder (U.S. Patent No. 6,014,636), and Kolling et al. (U.S. Patent No. 5,920,847).

Claim 5: Fernandez-Holmann discloses:

- a server adapted to interface with user systems for receiving applications and batch processing auto-charge transactions; (col. 2 lines 27-38), through establishing a credit based account with a credit card issuer for the benefit of a credit card holder, providing an investment account with a financial institution for the benefit of the credit card holder, funding the investment account by the credit card issuer with a predetermined amount of money on a periodic basis, and charging an amount of money so funded against the credit based account of the credit card holder, all of which support the functionality of a server as part or component of the Fernandez-Holmann invention;
- a monetary processor system for processing point of sale transactions submitted over an interchange (col. 3 lines 19-21), by automatically making the required periodic

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payments to the investment account and billing the consumer accordingly along with the purchase charges normally incurred by the consumer; and

- the credit card holder may be billed by the credit card issuer for the amount of money funded to the investment account (col. 2 lines 45-47), by automatically making the required periodic payments to the investment account and billing the consumer accordingly along with the purchase charges normally incurred by the consumer.

Fernandez-Holmann does not specifically disclose a database containing a plurality of cardholders, nor said auto-charge transactions do not require the plurality of clubs, merchants or service-providers to submit a charge for each auto-charge transaction. Fernandez-Holmann does disclose establishing a credit-based account with a credit card issuer for the benefit of a credit card holder, and providing an investment account with a financial institution for the benefit of the credit card holder (col. 2 lines 27-38). These are actions associated with and necessary for the functionality of creating and using a database, and infer a database containing a plurality of credit card holders.

Additionally, Reeder discloses a method for providing point-of-sale (POS) payment using interactive television (ITV) or the world wide web (WWW) by directly debiting a customer's bank account through electronic transfer of funds or by billing a customer's credit card account (Abstract).

Neither Fernandez-Holmann nor Reeder specifically disclose a dues processor system for processing batch files of auto-charges. Fernandez-Holmann does disclose:

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- automatically making the required periodic payments to the investment account and billing the consumer accordingly along with the purchase charges normally incurred by the consumer (col. 3 lines 19-21); and
- A fee such as a service charge or interest may be charged against the credit based account of the credit card holder when the credit card issuer funds the investment account in any given period (col. 2 lines 41-44), which encompasses the functionality of a dues processor.

Additionally, Kolling et al. discloses:

- batch processing auto-charge transactions (col. 11 lines 5-33; col. 37 lines 9-17); and
- Additionally, a service bureau S (52) and a Bank S (53) are participants, with service bureau S maintaining a service database 54 which is used to match bill payment orders with billers (col. 6 lines 50-57).

Therefore, it would have been obvious to one skilled in the art to modify Fernandez-Holmann to disclose a server adapted to interface with user systems for receiving applications and batch processing auto-charge transactions; a monetary processor system for processing point of sale transactions submitted over an interchange; a dues processor system for processing batch files of auto-charges; a database containing a plurality of cardholders, and said auto-charge transactions do not require the plurality of clubs, merchants or service-providers to submit a charge for each auto-charge transaction, as disclosed by Reeder and Kolling et al., because this

provides obvious benefits in the scope of the invention to provide customer satisfaction for the transactions that a customer initiates and biller satisfaction through efficient processing of transactions.

Claim 6: Fernandez-Holmann discloses a report processor system for generating reports of account activity (col. 3 lines 11-21).

Claim 7: Fernandez-Holmann discloses a transaction processor for accessing said database to determine if a transaction request is to be authorized (col. 5 lines 3-35).

12. Claims 8-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404), and further in view of Reeder (U.S. Patent No. 6,014,636), and Kolling et al. (U.S. Patent No. 5,920,847) and OFFICIAL NOTICE.

Claims 8-12: Fernandez-Holmann does not disclose said database further contains information identifying a partner that is associated with a plurality of clubs, merchants, or service-providers; said partner is a branch of the military, said partner is a university or college; said database contains information identifying one or more installations or bases of said partner; said database is a fully relational database allowing a cardholder to be transferred from one installation or base to another installation or base. Official Notice is taken that it was old and well known in the art at the time the invention was made that organizations may be associated with a plurality of clubs, merchants, or

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service providers for business or other purposes. One example of this are the gas stations located on military installations. Additionally, Official Notice is taken that it was old and well known in the art at the time the invention was made that users of credit accounts or other types of accounts may relocate from time to time and still be able to use the credit instruments previously used, while providing update information as to the user's status and location/address. This is a common procedure for credit card users who may change their residence due to employment or other reasons. Additionally, credit card users who travel may still use their credit cards while away from the area of their primary residence. Therefore, it would have been obvious to one skilled in the art at the time the invention was made to modify Fernandez-Holmann to disclose said database further contains information identifying a partner that is associated with a plurality of clubs, merchants, or service providers, said partner is a branch of the military, said partner is a university or college, said database contains information identifying one or more installations or bases of said partner, nor said database is a fully relational database allowing a cardholder to be transferred from one installation or base to another installation or base, as disclosed by Kolling et al., Reeder, and old and well known art, because this provides desirable utility to the invention and increases the population of users that may be interested in using the invention.

13. Claims 17-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404), and further in view of Pollin (U.S. Patent No. 6,041,315), and Kolling et al. (U.S. Patent No. 5,920,847).

Claim 17: Fernandez-Holmann discloses providing a credit card processing system having a database of cardholder account data, including in said database information of a plurality of clubs, merchants or service providers agreeing to auto-charging of dues or fees, and entering data in said database for an applicant or cardholder of one or more clubs, merchants or service providers which are to be issued funds automatically without the one or more clubs, merchants or service-providers submitting a payment request for each due or fee, through the functionality of:

- through establishing a credit based account with a credit card issuer for the benefit of a credit card holder, providing an investment account with a financial institution for the benefit of the credit card holder, funding the investment account by the credit card issuer with a predetermined amount of money on a periodic basis, and charging an amount of money so funded against the credit based account of the credit card holder, all of which support the functionality of a server as part or component of the Fernandez-Holmann invention (col. 2 lines 27-38); and
- automatically making the required periodic payments to the investment account and billing the consumer accordingly along with the purchase charges normally incurred by the consumer (col. 2 lines 45-47; col. 3 lines 19-22).

Additionally, Pollin discloses *the system verifies the bank and account information by comparing the input information to records in a database associated with the system* (Abstract). Also, Kolling et al. discloses *Additionally, a service bureau S (52) and a Bank S (53) are participants, with service bureau S maintaining a service*

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database 54 which is used to match bill payment orders with billers (col. 6 lines 50-57).

Therefore, it would have been obvious to one skilled in the art at the time the invention was made to modify the disclosure of Fernandez-Holmann to disclose a credit card processing system having a database of cardholder account data, as disclosed by Pollin or Kolling et al., because this a functional characteristic of the invention of Fernandez-Holmann as described in the disclosure.

Claim 18: Fernandez-Holmann discloses said step of entering data includes entry of information describing at least one of the frequency and date of the funds to be issued (col. 2 lines 23-44).

Claim 19: Fernandez-Holmann discloses said step of entering data includes entry of information describing the amount of funds to be issued (col. 2 lines 23-44).

Claim 20: Fernandez-Holmann discloses the step of processing a plurality of transaction requests based on said data (col. 4 lines 9-34).

14. Claims 21-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kolling et al. (U.S. Patent No. 5,920,847) as applied to claim above, and further in view of Fernandez-Holmann (U.S. Patent No. 5,787,404), Pollin (U.S. Patent No. 6,041,315), and Perazza (U.S. Patent No. 5,326,959).

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Claim 21: Kolling et al. disclose:

- periodically searching the database to identify a plurality of cardholders who are to be charged a fee or due by one or more clubs, merchants, or service-providers without the one or more clubs, merchants or service-providers submitting a payment request for each due or fee (col. 11 lines 5-33), through the activities associated with identifying billers, setting communications protocols, data pointers pointing to data elements to be associated with account processing;
- service bureau S receives one or more bill pay orders from consumer C. These orders could be instructions to pay some amount for a bill or a set amount of money at periodic intervals (col. 7 lines 49-52).
- generating a batch of transaction requests based on said step of searching (col. 36 lines 31-67; col. 37 lines 1-16);
- submitting said batch to a transaction processor (col. 36 lines 31-67; col. 37 lines 1-16); and
- updating the accounts of said plurality of cardholders based on results reported by said transaction processor (col. 37 lines 27-30).

Additionally, Fernandez-Holmann discloses a method and system for providing an investment fund, such as a long term investment fund which may be suitable for retirement purposes, comprising the steps of establishing a credit based account with a credit card issuer for the benefit of a credit card holder, providing an investment account with a financial institution for the benefit of the credit card holder, funding the investment account by the credit card issuer with a predetermined amount of money on a periodic

basis, and charging an amount of money so funded against the credit based account of the credit card holder (Abstract), which encompasses automated charges.

Additionally, Perazza discloses:

- funds can automatically and promptly be transferred, together with appropriate customer identifying information, to each biller's designated bank and its application, using conventional clearinghouse systems (Abstract);
- The bank has stored, in computer memory, the names and other identifying information regarding the billers for each customer (Abstract).
- preauthorized payment instructions for bill payments which are regular and fixed (col. 3 lines 9-17).

Additionally, Pollin discloses the system verifies the bank and account information by comparing the input information to records in a database associated with the system (Abstract). Therefore, it would have been obvious to one skilled in the art at the time the invention was made to modify the disclosure of Kolling et al. to disclose said credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers for which automated charges can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or payment requests for each automated charge, as disclosed through the functionality of Fernandez-Holmann, Pollin and Perazza, because this provides capabilities that facilitate the user's payment

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process and ease the burden on the user of making repetitive payments at periodic intervals.

Claim 22: Kolling et al. disclose automatically transferring funds to a club, merchant or service provider based on said results (col. 36 lines 31-67; col. 37 lines 1-30).

Claim 23: Claim 23 is written as a method and contains essentially the same limitations as claim 22; therefore, the same rejection is applied.

15. Claims 14-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kolling et al. (U.S. Patent No. 5,920,847) and OFFICIAL NOTICE.

Claims 14, 15: Kolling et al. does not disclose at least one of said user systems is located at a military base, nor at least one of said user systems is located at a university or college. However, Official Notice is taken that the location of the user system is not a necessary parameter in the use of the invention (outside the art), nor does it necessarily enhance or restrict the use of the invention. Therefore, it would have been obvious to one skilled in the art at the time the invention was made that at least one of the user systems could be located at a military base or a university or college, or anywhere appropriate/necessary network connectivity may be achieved to provide the desired level of service to the user. Such connectivity is restricted only by limitations on connectivity to appropriate network connectivity access points. It would have been

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obvious to one skilled in the art at the time the invention was made to modify Kolling et al. To disclose at least one of said user systems is located at a military base, or at least one of said user systems is located at a university or college, as disclosed by obvious and old and well known potential connectivity capabilities, since the invention may be used practically anywhere a computer may be interconnected to the appropriate network and be operated.

16. Claim 16 is rejected under 35 U.S.C. 103(a) as being unpatentable over Kolling et al. (U.S. Patent No. 5,920,847), and further in view of Fernandez-Holmann (U.S. Patent No. 5,787,404) and OFFICIAL NOTICE.

Claim 16: Kolling et al. discloses:

- participating consumers pay bills to participating billers (col. 11 lines 5-33).
- information of charges to be automatically posted to cardholder accounts and credited to a club, merchant or service-provider (Abstract).

Additionally, Fernandez-Holmann discloses:

- the system and methods of the preferred embodiment of the present invention described and claimed may be carried out by any of various computer based systems known in the prior art and programmed according the methodologies described herein in order to carry out the desired functions (col. 7 lines 31-36), and

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- the credit card issuer automatically makes the required periodic payments to the investment account and bills the consumer accordingly along with the purchase charges normally incurred by the consumer (col. 3 lines 17-21).

Also, Official Notice is taken that databases were old and well known in the art at the time the invention was made and were/are common to banks and credit card companies. They provide necessary functionality for the efficient and quick electronic storage and manipulation of data. Therefore, it would have been obvious to one skilled in the art to modify the invention of Kolling et al. to disclose a database of cardholders including information of charges to be automatically posted to cardholder accounts and credited to a club, merchant or service provider, as disclosed by Fernandez-Holmann and old and well known art, because a database is common to most computer applications that must repetitively process large amounts of data, as in monthly bill and payment processing for credit cards.

14. Claims 24-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kolling et al. (U.S. Patent No. 5,920,847).

Claims 24 and 25: Kolling does not specifically disclose said club, merchant or service provider is located on a military base or installation. Kolling does disclose it is possible that service providers will provide services to a consumer regardless of the location of the consumer's account and that banks will accept payment authorization requests from any service providers (col. 32 lines 17-29), which encompasses the claim language of

said club, merchant or service provider is located on a military base or installation. Additionally, the location of said club, merchant or service provider as defined in applicant's invention is not a necessary parameter in the use of the invention (outside the art), nor does it necessarily enhance or restrict the use of the invention. The connectivity of the user system is restricted only by limitations on connectivity to appropriate network connectivity access points. The invention may be used practically anywhere that a computer may be interconnected to the appropriate network and be operated.

Response to Arguments

17. Applicant's arguments filed 07/29/2002 have been fully considered but they are not persuasive.

Rejections under 35 U.S.C. 102(e)

Applicant argues, on pg. 4, that The Office Action states that claim 13 is rejected under 35 U.S.C. § 102(e) as being anticipated by Kolling et al. (U.S. Patent No. 5,920,847) ("Kolling"). Applicants respectfully submit that Kolling does not disclose or teach all the elements of claim 13, as amended. For example, Kolling does not disclose or teach the auto-charge transactions of claim 13. Each of the embodiments disclosed or taught by Kolling require either the consumer or the biller to initiate the transaction. In contrast, claim 13 recites "wherein said auto-charges do not require the plurality of clubs, merchants or service-providers to submit a payment request for each auto-

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charge." For at least the foregoing reasons, claim 13 is distinguished over the disclosure and teachings of Kolling.

Examiner disagrees. Kolling discloses, at col. 3 line 67 – col. 4 line 6, The second common element is payment authorization: the consumer performs some act (e.g., signs a check or other negotiable instrument) which authorizes the consumer's bank to transfer funds from the consumer's account to the biller; this element might occur after presentment or before (as in the case of pre-authorized withdrawals). This provides for payment before presentment of a bill, which is consistent with automatic payment on a periodic basis, or otherwise.

Therefore, examiner maintains the rejection.

Rejections under 35 U.S.C. § 103

Applicant argues, at pg. 5, that the Office Action states that claims 1-4 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404) ("FernandezHolmann"), in view of Carlisle et al. (U.S. Patent No. 5,649,118) ("Carlisle"), Pollin (L.J.S. Patent No. 6,041,315) ("Pollin"), and Perazza (LT.S. Patent No. 5,326,959) ("Perazza"). Applicants respectfully submit that none of these references, either by themselves or in combination, disclose or teach all the elements of claim 1, nor the elements of claims 2-4 which are dependent from claim 1. For example, claim 1 recites a "credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers." None of the cited references disclose this limitation. Further, claim 1 recites that the

"automated charges can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge. Again, none of the cited references disclose this limitation:

Examiner disagrees. Applicant's amendment necessitated new grounds for rejection. The references used in the current rejection encompass the claim language of applicant's invention. The current rejection states:

- Claims 1-3 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404), and further in view of Kolling et al. (U.S. Patent No. 5,649,118), Pollin (U.S. Patent No. 6,041,315), and Perazza (U.S. Patent No. 5,326,959).
- Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404), and further in view of Kolling et al. (U.S. Patent No. 5,649,118), Pollin (U.S. Patent No. 6,041,315), Perazza (U.S. Patent No. 5,326,959), and OFFICIAL NOTICE.

Examiner maintains that the invention of applicant is disclosed by the prior art identified here. Additionally, the current rejection addresses the new claim language and overcomes applicant's arguments.

Therefore, examiner maintains the rejection.

Applicant argues, at pg. 5-6, that Fernandez-Holmann discloses "providing an investment account with a financial institution . . . for the benefit of the credit card holder [and] funding the investment account by the credit card issuer with a predetermined

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amount of money on a periodic basis." (Col. 2, lines 29-36). The investment account, as disclosed by Fernandez-Holmann, is connected to and "funded against the credit based account of the credit card holder." (Col. 2, lines 37-38). This connection with a credit based account, as disclosed and taught by Fernandez-Holmann, is distinguished from the credit instrument of the present invention which comprises a "credit card having encoded information thereon." (Claim 1). The method disclosed and taught by Fernandez-Holmann does not utilize, as claimed in the present invention, a "credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers." (Claim 1).

Further, Fernandez-Holmann does not disclose or teach a "plurality of clubs, merchants or service providers." (Claim 1). Rather, Fernandez-Holmann discloses and teaches a single investment account that is funded from a credit based account. Fernandez-Holmann does not teach or disclose the use of "a plurality of clubs, merchants or service providers" with a credit based account or with a credit instrument.

Additionally, Fernandez-Holmann does not disclose or teach "automated charges [that] can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge." (Claim 1). Rather, Fernandez-Holmann discloses a "credit card retirement rebate system" (Col. 4, line 9) which "establishes an investment fund for the benefit of the credit card holder, into which payments will be made by the credit card issuer in the form of monthly credit-based contributions and/or rebates." (Col. 4, lines 4-

7). Fernandez-Holmann discloses and teaches a system of "contributions and/or rebates", which is distinguished from the "automated charges" of the present invention.

Examiner disagrees. Applicant's invention claims (claim 1) "A credit instrument for allowing a cardholder to automatically charge fees to a club, merchant or service provider, comprising: a credit card capable of charging point of service transactions to be posted on a cardholder's account; said credit card having encoded information that associates the cardholder with a plurality ..." Examiner views the invention of Fernandez-Holmann as compatible prior art with the invention of applicant. The disclosure of Fernando-Holmann in combination with Perazza, Pollin and Kolling et al. combine to disclose the invention of claim 1, as amended.

Therefore, examiner maintains the rejection.

Applicant argues, at pg. 6-7, that Carlisle discloses a system of placing multiple credit cards, debit cards, ATM cards, food stamp programs, unemployment compensation, or other welfare programs on a single smart card in such a way that each payment method is insulated and secured from access by the other payment methods. However, Carlisle only discloses point-of-sale purchases. Carlisle does not disclose or remotely suggest automated charges, much less "automated charges [which] can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge", as recited in claims 1-4 of the present invention.

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Further, Carlisle does not disclose a "credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers." (Claim 1). Rather, Carlisle discloses and teaches placing multiple methods of payment on a single smart card. This is distinguished from the present invention in which one payment method is utilized to pay automated charges to a plurality of clubs, merchants or services providers based on a single card instrument associated with a plurality of clubs, merchants or service providers.

For at least the foregoing reasons, claims 1-4 of the present invention distinguish over the disclosures and teachings of Carlisle.

Examiner disagrees. Carlisle discloses systems and methods wherein multiple accounts are stored on a single smart card that may be individually addressed during transactions. Smart cards have encoded information encoded thereon that associates the cardholder with several accounts. This functionality supports the capability of storing information on the smart card that associates the cardholder with a plurality of clubs, merchants or service providers (claim 1, amendment A). The disclosure of Fernando-Holmann in combination with Perazza, Pollin and Carlisle combine to disclose the invention of claim 1, as amended in amendment A. The disclosure of Fernando-Holmann in combination with Perazza, Pollin and Kolling et al. combine to disclose the invention of claim 1, as amended in amendment B.

Therefore, examiner maintains the rejection.

Applicant argues, at pg. 7, that applicants respectfully submit that Pollin does not teach or disclose all the elements of claim 1, or claims 2-4 which are dependent from claim 1. Among other things, Pollin does not disclose a credit card, much less a credit card with "encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers." (Claim 1). Further, Pollin does not disclose or teach "automated charges [which] can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge." (Claim 1). For at least these reasons, claims 1-4 distinguish over Pollin.

Examiner disagrees. The invention of Pollin supports credit card methods and practices. Pollin discloses:

- One solution to the problems of reliably collecting repeated payments is a pre-authorized electronic debit. Many large and well-connected creditors, such as banks and the finance arms of automobile manufacturers, generate monthly tapes of authorized payments which are then processed electronically within the banking system. Funds are withdrawn from the checking account of the consumer and transferred directly to the creditor. This service has recently been made available to smaller accounts with a substantial per-transaction charge. However, this electronic banking system is primarily adapted for processing pre-authorized transfers on particular predetermined dates as a payment method, this system offers advantages similar to those found in the use of credit cards (col. 2 lines 53-64).

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- as a payment method, this system offers advantages similar to those found in the use of credit cards (col. 16 lines 47-48).

Examiner asserts that if the invention of Pollin taught all aspects of claim 1, examiner would use it as a 35 USC 102 rejection; it does not. Pollin is analogous art, however. And, the disclosure of Fernando-Holmann in combination with Perazza, Pollin and Kolling et al. combine to disclose the invention of claim 1, as amended in amendment B.

Therefore, examiner maintains the rejection.

Applicant argues, at pg. 8, that Perazza discloses a system for optically reading bill payment information to replace the current paying-bills-by-check system. As with Pollin, Perazza does not disclose a credit card, much less a credit card with "encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers." (Claim 1). And as with Pollin, Perazza does not disclose or teach "automated charges [which] can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge." (Claim 1). For at least these reasons, claims 1-4 distinguish over Perazza.

Examiner disagrees. Perazza discloses:

- funds can automatically and promptly be transferred, together with appropriate customer identifying information, to each biller's designated bank and its application, using conventional clearinghouse systems (Abstract);

- The bank has stored, in computer memory, the names and other identifying information regarding the billers for each customer (Abstract).
- preauthorized payment instructions for bill payments which are regular and fixed (col. 3 lines 9-17).

These disclosures support the disclosures of Fernando-Holmann in combination with Perazza, Pollin and Kolling et al. to disclose the invention of applicant, as claimed in claim 1 of amendment B. Therefore, Examiner maintains the rejection.

Applicant argues, at pg. 8-9, that the Office Action states that claims 5-12 and 17-20 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Fernandez-Holmann, in view of Reeder (U.S. Patent No. 6,014,636) ("Reeder") and Kolling. Applicants respectfully submit that none of these references, either by themselves or in combination, teach or suggest all the elements of claims 5-12 or 17-20.

With regard to independent claim 5, from which claims 6-12 are dependent, neither Fernandez-Holmann, nor Reeder or Kolling, disclose or teach "auto-charge transactions [which] do not require the plurality of clubs, merchants or serviceproviders to submit a charge for each auto-charge transaction." (Claim 5). The Office Action states that "[n]either Fernandez-Holmann nor Reeder specifically disclose a dues processor system for processing batch files of auto-charges." (Office Action, page 9, lines 1-2). The Office Actions relies upon Kolling to provide the element of auto-charge transactions. (See Office Action, page 9, lines 9-10). However, Kolling does not disclose or teach the auto-charge transactions claimed by the present invention. Each of the

embodiments disclosed by Kolling require either the consumer or the biller to initiate the transaction. This not only differs from, but teaches away from the "autocharge transactions" recited in claim 5.

With regard to claim 17, from which claims 18-20 are dependent, neither Fernandez-Holmann, nor Reeder or Kolling, disclose or teach "one or more clubs, merchants or service-providers which are to be issued funds automatically without the one or more clubs, merchants or service-providers submitting a payment request for each due or fee." (Claim 17). As discussed above, the Office Actions relies upon Kolling to provide the element of auto-charge transactions. (See Office Action, page 9, lines 9-10). However, Kolling does not disclose or teach the auto-charge transactions claimed by the present invention. Each of the embodiments disclosed by Kolling require either the consumer or the biller to initiate the transaction. This differs from the "auto-charging of dues or fees" recited in claim 17 in which "one or more clubs, merchants or service-providers which are to be issued funds automatically without the one or more clubs, merchants or service-providers submitting a payment request for each due or fee." (Claim 17).

Also, applicant argues, at pp. 10, that the Office Action states that claims 14-15 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Kolling Applicants respectfully submit that Kolling does not disclose or teach all the elements of claim 13, much less the further elements of claims 14 or 15 which depend from claim 13. As previously discussed, Kolling does not disclose or teach the auto-charge transactions of claim 13. Each of the embodiments disclosed or taught by Kolling require either the

consumer or the biller to initiate the transaction. In contrast, claim 13 recites "wherein said auto-charges do not require the plurality of clubs, merchants or service-providers to submit a payment request for each auto-charge." For at least the foregoing reasons, claims 14-15 (which are dependent upon claim 13) are distinguished over the disclosure and teachings of Kolling

Also, applicant argues, at pp. 10-11, that the Office Action states that claim 16 is rejected as allegedly being unpatentable over Kolling, in view of Fernandez-Holmann. Applicants respectfully submit that neither Kolling or Fernandez-Holmann, nor their combination, disclose or teach all the elements of claim 13, much less the further elements of claim 16 which depends from claim 13. As previously discussed, Kolling and Fernandez-Holmann do not disclose or teach the auto-charge transactions of claim 13. Each of the embodiments disclosed or taught by Kolling and Fernandez-Holmann require either the consumer or the biller to initiate the transaction. In contrast, claim 13 recites "wherein said auto-charges do not require the plurality of clubs, merchants or service-providers to submit a payment request for each auto-charge." For at least the foregoing reasons, claim 16 (which is dependent upon claim 13) is distinguished over the disclosure and teachings of Kolling, or Fernandez-Holmann, or their combination.

Applicant argues, at pp. 11, that

- The Office Action states that claims 24-25 are rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Kolling Applicants respectfully submit that Kolling does not disclose or teach all the elements of claim 21, much less the further elements of claims 24 and 25 which depend from claim 21 via claims 22 and 23, respectively.

- Kolling does not disclose or teach "periodically searching a database to identify a plurality of cardholders who are to be charged a fee or due by one or more clubs, merchants or service-providers without the one or more clubs, merchants or service-providers submitting a payment request for each fee or due." (Claim 21). For at least the foregoing reason, claims 24-25 (which are dependent from claim 21 via claims 22 and 23, respectively) are distinguished over the disclosure and teachings of Kolling

Examiner disagrees. Examiner agrees that Kolling requires that either the consumer or the biller to initially set up or establish the transaction so that it may occur on a periodic basis. Applicant claims that one or more clubs, merchants or service-providers are to be issued funds automatically without the one or more clubs, merchants or service-providers submitting a payment request for each due or fee. However, examiner maintains that, at the beginning of this process, the user (in conjunction with the one or more clubs, merchants or service-providers) must establish an account and procedure to issue funds periodically to their account(s) with the one or more clubs, merchants or service-providers, as disclosed by Kolling et al. Otherwise, some omniscient higher power must intervene to establish the user's account in order to credit the periodic payments (e.g., fees or dues) to the correct user.

Therefore, examiner maintains the rejection.

Applicant argues, at pp. 9-10, that the Office Action states that claims 21-23 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Kolling, in view of Fernandez-Holmann, Carlisle and Perazza. Applicants respectfully submit that none of

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these references, either by themselves or in combination, disclose or teach all the elements of claims 21-23.

Among other things, none of the references-either by themselves or in combination-disclose or teach "periodically searching a database to identify a plurality of cardholders who are to be charged a fee or due by one or more clubs, merchants or service providers"-much less "without the one or more clubs, merchants or service-providers submitting a payment request for each fee or due." (Claim 21). For at least the foregoing reason, claims 21-23 are not disclosed or taught by Kolling, Fernandez-Holmann, Carlisle, or Perazza, either by themselves or in combination.

Examiner disagrees. The rejection, as shown in section 8 above, discloses the invention as claimed by applicant in claims 21-23, as disclosed in amendment B. Therefore, examiner maintains the rejection.

Applicant argues, at pp. 12, that Applicants' representative is in receipt of the printed website hardcopies of Citigroup's E-Z Pay service that were forwarded via facsimile by Examiner Forest Thompson on June 20, 2002. With regard to said service, Applicants respectfully submit that the present invention as recited in the pending claims distinguishes over said service, either by itself or in combination with the previously discussed cited references. In fact, Applicants note that such a service was discussed and distinguished from the present invention in the application specification. For example, it appears from the disclosure in the printed hardcopies that the system of periodic payments is initiated by the biller (i.e., Citigroup). In contrast, the system and

methods of the present invention are automatic without the submission of a periodic authorization or request by the cardholder or biller.

Further, it is unclear from the copyright notification on the hardcopies whether the website disclosure predates the filing, conception and/or reduction to practice dates of the present invention. As such, the Citigroup system may not be a proper § 102 or § 103 reference.

For at least the foregoing reasons, Applicants respectfully submit that the claims of the application are in condition for allowance and respectfully request that a Notice of Allowance be issued on an expedited basis.

Examiner disagrees. Examiner agrees that, on review, that the CitiGroup reference does not appear to overcome applicant's claimed invention, based on the disclosure obtained from the CitiGroup website. Therefore, examiner does not use this art in the rejection in the sections above. However, as stated in the above response to arguments, examiner maintains the rejection.

Conclusion

18. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

19. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Forest O. Thompson Jr. whose telephone number is (703) 306-5449. The examiner can normally be reached on 6:30-3:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on (703) 308-1344. The fax phone numbers for the organization where this application or proceeding is assigned are:

(703) 305-7687 for REGULAR communications,

(703) 305-7687 for After Final communications, and

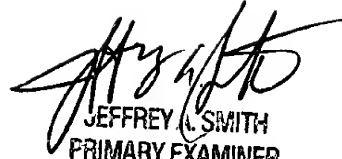
(703) 308-3691 for UNOFFICIAL communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.

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F. Thompson
October 9, 2002


JEFFREY A. SMITH
PRIMARY EXAMINER